

Federal Transportation Policy and Funding: Status and Outlook

California and Washington
Transportation Commissions Meeting

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Transportation Issues Daily



September: Busiest Month Ever for Federal Transportation Policy & Funding?

| | |
|----------------------|----------------------|
| SAFETEA-LU | Expires October 1 |
| Transportation taxes | Expires October 1 |
| Aviation bill | Expires September 16 |
| 2012 Appropriations | Due by October 1 |

Congress is scheduled to leave on September 23 for a state/district work period, leaving few legislative action days.

SAFETEA-LU expiring October 1 - **extension**

Senate Committee passed 4-month extension last week

- Continues all programs, current funding levels (e.g., “clean”)
- Full Senate debate expected this week; passage could be delayed over bike/ped spending

House Committee action expected this week

- Expected to continue all programs & current funding levels, but may try to change bike/ped spending

Outlook: Congressional leadership has agreed on an extension through March 2012

SAFETEA-LU expiring October 1 – permanent bill

| | Summary Published? | Detailed Bill Published? | Length? | Funding level average | Funding sources identified? |
|-------------|-----------------------|-----------------------------|---------|-----------------------------|-----------------------------------|
| Senate | Yes | No | 2 years | \$54 billion | Possibly |
| House | Yes | No | 6 years | \$38 billion | Yes |
| White House | Yes | No | 6 years | \$92 billion | No |

Agreements: program consolidation, freight, performance measures, streamlining project delivery time

Disagreements: passenger rail, TIGER, bicycle-pedestrian and livability

Outlook: Conventional wisdom is no bill until 2013

Transportation Taxes & Fees expiring October 1

These taxes provide >90% of Highway Trust Fund

- All but 4.3 cents-per-gallon of the taxes on gasoline, diesel, kerosene, and alternative fuels
- Tax on retail sale of heavy highway vehicles
- Tax on heavy truck tires
- Annual use tax on heavy highway vehicles

Anti-tax activists threatened a legislative fight to reduce or eliminate the taxes, or return funding to states

Outlook: Congressional leadership agreed to a renewal through March 2012. But anticipate a future fight.

The Senate proposal in brief

Consolidates current seven core programs into five

Creates national freight program

Focuses highway program on key performance outcomes

Increases annual TIFIA (a loan program) funding

Reforms statewide and metropolitan planning processes

Expedites project delivery while preserving environmental protections and public involvement

Likely to advocate for bicycle & pedestrian, passenger rail and transit programs

Bipartisan

The House proposal in brief

Matches spending to revenue, maximizing underutilized loan programs

Expedites project delivery

Consolidates of programs

Focuses on key performance outcomes

Increases annual TIFIA (a loan program) funding

Bike, pedestrian & other non-highway spending becomes optional, not set-aside

Reduces passenger rail funding

Aviation bill expiring September 16

Expired in 2007 and renewed 21 times

House & Senate passed bills, negotiators not appointed

Sticking points:

- Subsidies for small rural airports
- Rules regarding transportation workers union organizing
- Landing slots at Reagan National Airport

August temporary FAA shutdown: policy change demanded by House, opposed by Senate. \$400 million in lost revenue.

Outlook: Congressional leaders have agreed on an extension through January.

2012 fiscal year appropriations: status

Fiscal year begins October 1

House has completed action on six of twelve appropriations bills, Senate completed only one.

Current focus is on legislation to continue funding after October 1, avoid a government shutdown

Current funding level and programs will be continued

2012 fiscal year appropriations: outlook

Transportation-Housing bill should see action in Senate and House Committees this week

Transportation funding will be 30-35% less than 2011

Senate-House differences: Funding for passenger rail, TIGER, Amtrak operating subsidy, new transit systems

Outlook:

- Short-term funding at current levels will be enacted (“continuing resolution”) before October 1
- Full-year appropriations bill should pass by end of year

Questions ?

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